

PSC Consumer Connection



Informed Consumers, Quality Utility Services, and a Dedicated Organization for Missourians in the 21st Century

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Public Information & Education Department

A Message from Chairman Jeff Davis:



Conservation: The Key to Keeping Utility Rates Low

Since Governor Blunt appointed me in January to serve as chairman of the Public Service Commission, I have had the opportunity to talk to people from all across Missouri. I am pleased that they strongly support our efforts to hold the line on increasing utility costs.

We will fight the good fight. I am proud to be part of a new administration that has made reducing the costs of government its trademark. Yet, in terms of energy costs, we have an uphill battle on our hands. Citizens have to look no further than the nearest gas pump to see the upward pressures on energy costs facing us every day.

While the cost of regulating gasoline and diesel fuel is beyond our control, the demand for electricity, water and natural gas is increasing. Supplies in our state are affected directly by the costs and capacity of our distribution systems. As we near a point where demand exceeds supply, utilities will ask for increases in rates to pay for these resources as they grow more scarce and for expanding and improving distribution systems.

We cannot violate the laws of economics. But we can reduce demand by increasing efforts to conserve energy. Every kilowatt of electricity, every gallon of water, and every cubic foot of natural gas we save is one we don't have to buy from elsewhere or build a costly new plant to supply.

So far, our efforts to hold down energy costs have been successful. Missouri has the fifth lowest residential electric rates in the nation. The average Missourian pays less than seven cents for a kilowatt of electricity, two cents per kilowatt less than the national average.

One reason why Missourians enjoy cheaper electricity than citizens in other states is because our utilities built several coal-fired

electric plants, as well as two nuclear plants more than 20 years ago. Now, for the first time since these plants were built, our state faces the problem of customer demand exceeding our supply.

The PSC staff estimates Missouri will need more than 1,000 megawatts of additional power to meet increased demands by July 2009. In addition, we require utilities to keep up to a 15 percent supply of electricity in reserve to serve customers. This additional power must be purchased or additional resources must be added to meet demand.

Adding new generating plants to meet the growth in demand will be expensive. The two most common, reliable types of plants utilities will consider adding are those powered by coal and natural gas. Construction costs for a natural gas burning electric plant will probably be more than \$400 per kilowatt and the cost for a coal-fired electric plant could be \$1,300 to \$1,800 per kilowatt. Since we estimate demand will exceed supply by more than 1,000 megawatts, the cost to meet this demand will require a substantial amount of new generation. This estimate says nothing about the prospects of operators paying higher fuel costs and compliance with environmental regulations.

While demand is increasing, long-term contracts for the purchase of power are becoming more difficult to obtain. Companies involved in wholesale generation and transmission of energy are increasingly reluctant to assume liability for guaranteeing delivery of that power. Thus, shorter contracts from multiple suppliers result in more volatile prices.

If the PSC is going to hold the line on rising energy prices, we need your help. I don't want consumers to face the same dilemma in their homes that they currently have at the gas pump. Turning off extra lights, setting thermostats to minimize energy use and investing in energy efficient appliances will put more dollars in your pocket, and makes great sense in that it helps reduce our need for additional electricity and give everybody what they want: low rates.



License Installer Program Coming To Missouri Manufactured Housing Industry

Effective July 1, 2005, any individual, partnership, corporation, or other legal entity that installs or performs the set-up of a new manufactured home will be required to be a licensed installer with the Missouri Public Service Commission. Under the program, new manufactured homes may not be installed/set-up by anyone who does not have the required license after June 30, 2005.

Manufactured home dealers and manufacturers who use independent contractors to install/set-up their homes must use a licensed installer beginning July 1, 2005 unless the dealer or manufacturer has an installer license. A homeowner who purchases a home to live in on their own property and performs their own installation may be exempt from the licensing requirements. This must be documented in the dealer's file. Homes installed in Manufactured (Mobile) Home Parks are not exempt from this requirement. Homes must be installed pursuant to the applicable laws, rules and the home's Manufacturer's Installation Instructions.

The new installer license program is part of the federal Manufactured Housing Improvement Act passed in 2000. This Act is designed to improve the durability, insurability and financing of manufactured homes.

Also on July 1st, the PSC's Manufactured Housing and Modular Unit Program will inspect a percentage of all new manufactured home installations. Currently, the PSC only inspects the installation/set-up of new manufactured homes when a consumer requests it or a complaint is received from the homeowner after the home has been installed/set-up.

For more information on the license installer program, please visit the Public Service Commission's web site at www.psc.mo.gov or call 1-800-819-3180. Complete details regarding program implementation and how to obtain a list of licensed installers is expected to be available in early June.

NATURAL GAS SAFETY INFORMATION

What To Do If You Smell Natural Gas

If you smell natural gas, it is very important that you: 1) evacuate the building immediately; 2) do not operate electrical switches; 3) do not smoke, use lighters, matches or any other open flame; and 4) do not start your vehicle if it is in an attached garage.

Go to a neighbor's house and call your local natural gas company to report the odor and its approximate location. Do not call from inside your house. Calling from a phone inside your home could create a spark that could cause an explosion.

Natural gas itself does not have an odor—an odorant has been added so gas can be detected if a leak occurs. The odor is similar to the smell of "rotten eggs."

DIG SAFE. DIG SMART.

KNOW MISSOURI'S GROUND RULES.

MAKE THE CALL

Many utility company facilities, including natural gas pipelines, are located underground and out of sight. If you plan to dig in your own yard or excavate for a commercial project, Missouri law requires that you notify Missouri One Call System at 1-800-DIG-RITE (344-7483). However, not all utilities are members of Missouri One Call, so you will need to contact those non-members directly before you dig.

WAIT THE REQUIRED AMOUNT OF TIME

Missouri law requires that any person making or beginning any excavation notify all underground facility owners that may be affected by the excavation, at least 2 but not more than 10 working days in advance, except in case of an emergency. After you make the call, facility owners will determine if the planned dig is near any underground facilities. If needed, they will survey and mark the area where utility lines are located. **Do not begin digging until all of the utilities in the area have been located and marked.**

RESPECT THE MARKS

After it is determined that markings are required, the facility owner will dispatch a field locator who will locate and mark the excavation site with paint, stakes, or flags. Utilities mark their facilities according to specific guidelines and color codes. **Respect the markings when you dig.**

DIG SAFELY

Digging carelessly can cause disruption of vital utility services and environmental damage, or even loss of life. **Become a partner in damage prevention and DIG SAFELY.**

For printed materials regarding a number of consumer issues or copies of this newsletter, please call 573-751-7491 or email joyce.neuner@psc.mo.gov



Who to Contact: Missouri Public Service Commission
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